



Thomas M. Menino, Mayor

Operating Budget

Fiscal Year 2011

Capital Plan

Fiscal Years 2011-15

City of Boston

Recommended
Volume I

City of Boston

FY11 Recommended Budget as of 6/23/2010 \$2.3 Billion



- \$49.4 million or 2.2% increase from FY10 State aid revenue and grants decreasing again
 - Property tax revenue continues to grow
 - New Local Option Meals tax and increase in Hotel tax in effect for full year
- Pensions and Debt Service are increasing by \$7.1 million (2.9%)
- Health insurance increases by over \$18.0 million (6.4%)
- Total departmental appropriations are increasing by \$6.0 million (0.4%) after declining in the FY10 Budget
- FY11 Budget uses \$45 million of reserves

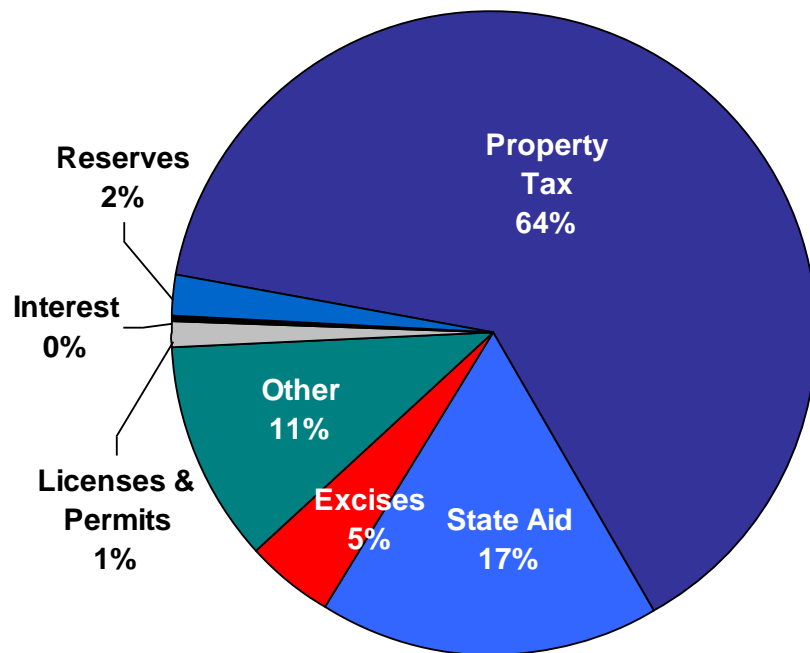
FY11 Recommended Budget as of 6/23/2010

\$2.3 Billion

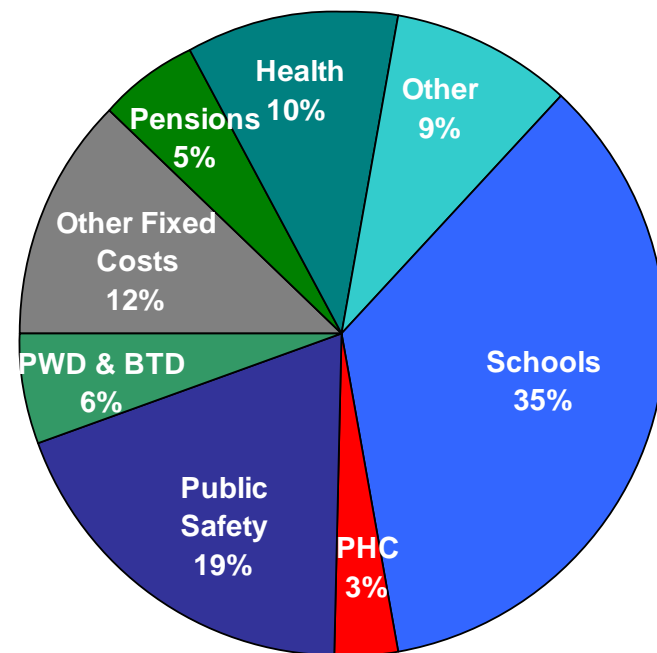
Revenues & Expenditures



Major Revenue Sources



Major Expenditure Areas

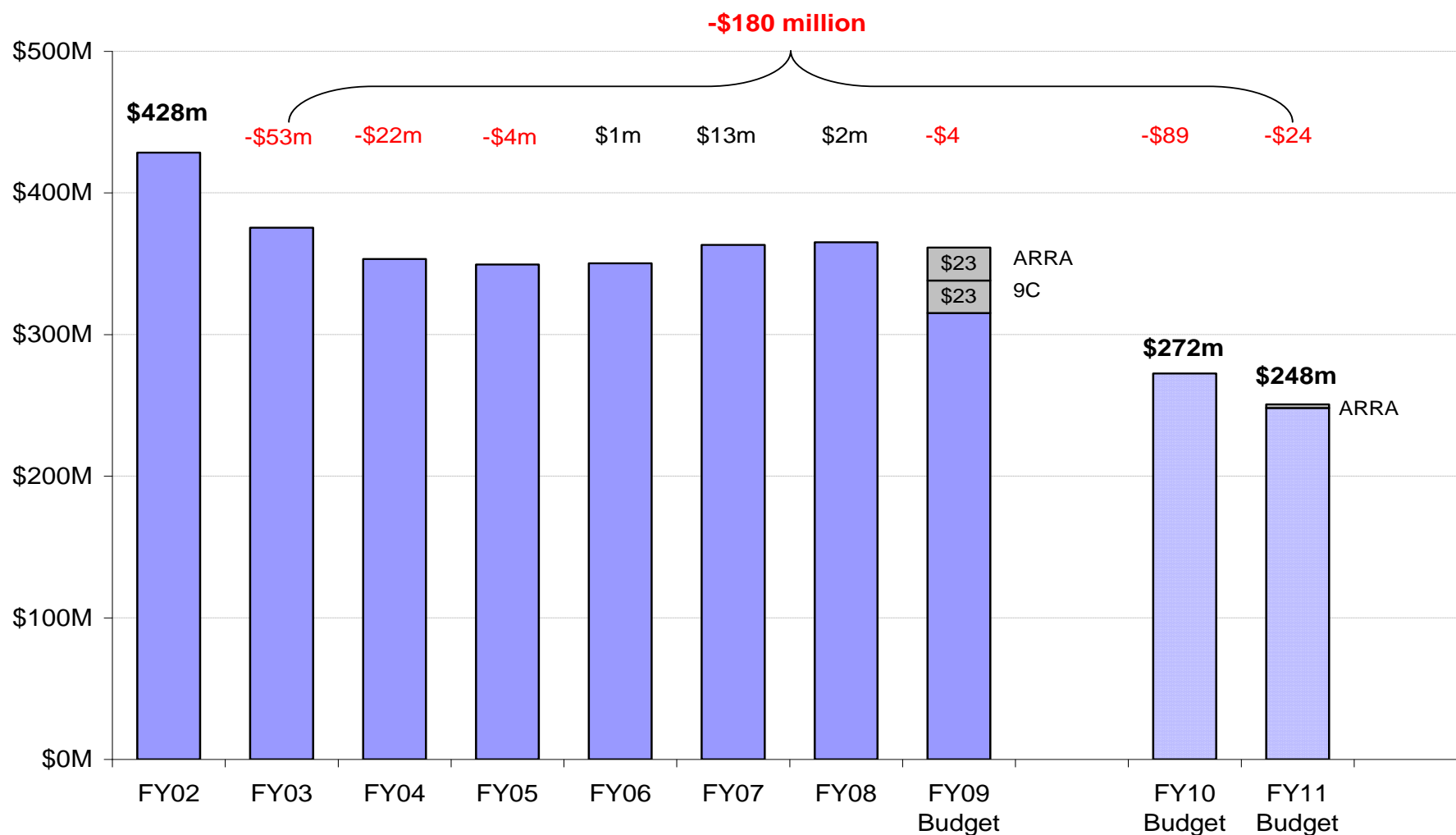


NOTE: Totals may not add due to rounding. Total health benefits costs, including those in Schools and PHC are 13.0% of total expenditures. Health expenditures include \$35 million to OPEB liability.



FY11 Recommended Budget as of 6/23/2010

Net State Aid History





FY11 Recommended Budget as of 6/23/2010

Revenue Growth by Selected Major Sources

	FY10 Budget	FY11 Projection	\$ Change	% Change
Property Tax	\$1,429,324,788	\$1,491,399,370	\$62,074,582	4.3%
Net State Aid*	\$272,477,766	\$248,070,774	-\$24,406,992	-9.0%
Meals (new tax)	\$4,379,002	\$16,875,000	\$12,495,998	285.0%
Hotel (tax increase)	\$23,000,000	\$34,500,000	\$11,500,000	50.0%
Other Excises	\$58,275,000	\$53,195,000	-\$5,080,000	-8.7%
Licenses & Permits	\$31,260,000	\$32,786,000	\$1,526,000	4.9%
Interest Income	\$6,500,000	\$5,000,000	-\$1,500,000	-23.1%
*Net state aid reflects gross state aid net of municipal charges or “assessments”				



FY11 Recommended Budget as of 6/23/2010

Major Departmental Appropriations

	FY10 Budget	FY11 Budget	\$ Change	% Change
Schools	\$817,882,402	\$821,382,404	\$3,500,002	0.4%
Police	\$270,874,940	\$270,874,944	--	0.0%
Fire	\$174,201,053	\$175,970,200	\$1,769,147	1.0%
Public Works & Transportation	\$132,345,207	\$131,082,858	(\$1,262,349)	-1.0%
Public Health Commission	\$70,000,000	\$69,793,000	(\$207,000)	-0.3%
Library	\$29,714,692	\$30,369,142	\$654,450	2.2%
BCYF	\$21,659,229	\$21,674,447	\$15,219	0.1%



FY11 Recommended Budget as of 6/23/2010

Resubmission Adjustments

- Revenue
 - \$1.6M increase from fee & fine package approved by City Council
 - \$2.5M decrease in Chapter 70 State Aid (replaced with an anticipated direct state grant to BPS)
- Expenditures
 - \$654K Library Department increase to continue the community process
 - \$82K BCYF increase to support early education program
 - \$300K for summer jobs from administrative efficiencies
 - \$800K Fire increase in addition to a transfer from the collective bargaining reserve and a health insurance reduction, related to the collective bargaining agreement with Firefighters' Local 718
 - \$1.6M Debt Service reduction

City of Boston

Impact of Firefighter Contract on FY11

Fire Department Appropriation Increase	23,024,354
Collective Bargaining Reserve Transfer	(20,950,000)
<u>Health Insurance Decrease</u>	<u>(1,292,194)</u>
Net Increase Needed	782,160



FY11 Recommended Budget as of 6/23/2010

Resubmission Adjustments

- Pension Law changes effective FY10
- Teacher's Pension Reimbursement
 - \$126.9 M decrease in Teacher Pension Reimbursement due to a legislative change in the funding mechanism for teachers' pensions
 - \$127.7M decrease in Pensions due to a legislative change in the funding mechanism for teachers' pensions
 - Pension appropriation now reflects only non-Teachers
 - No change in benefits for teachers or retired teachers who are Boston SBRS members

FY11 Personnel Impacts

City of Boston

Projected Layoffs during FY11

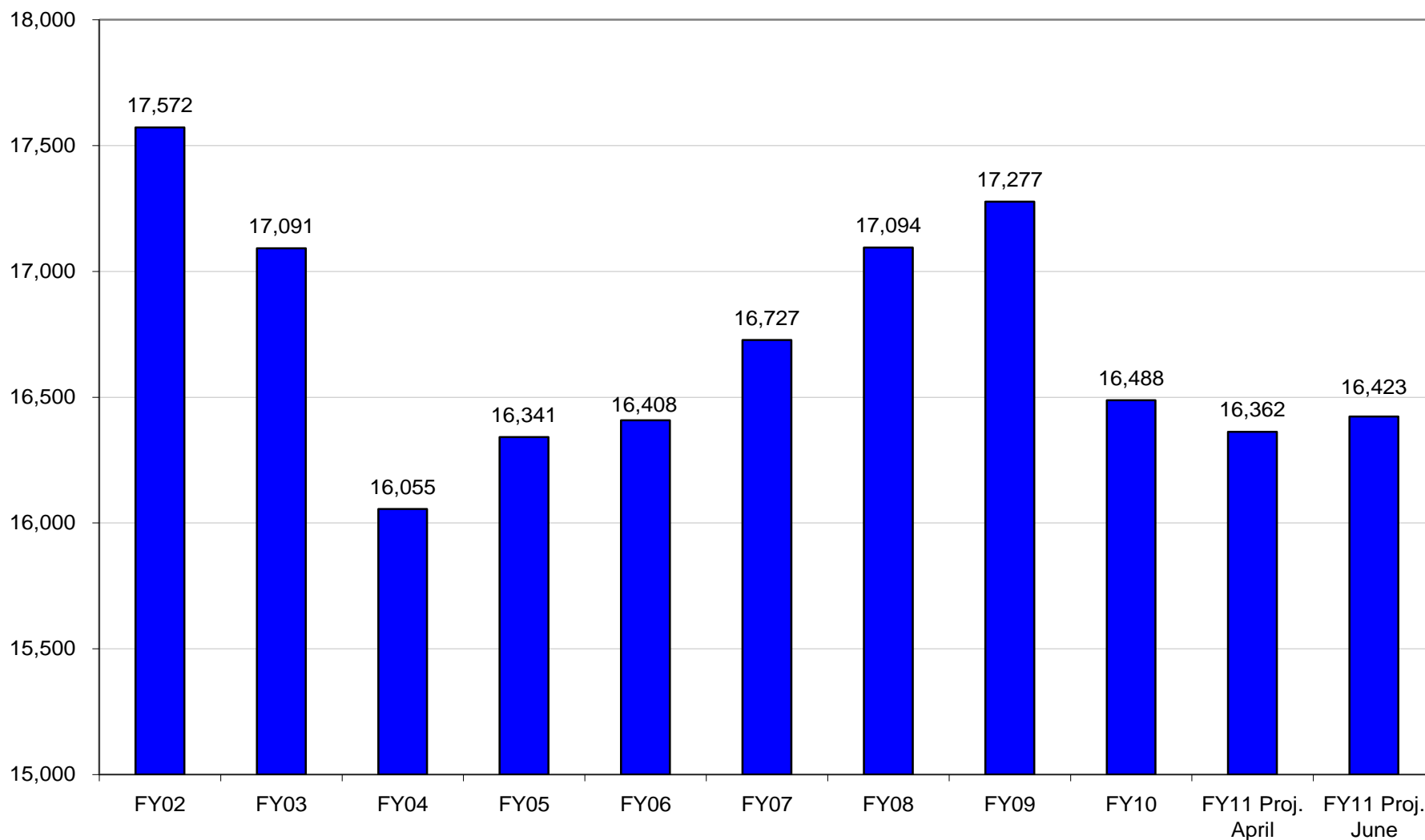
	June	Layoffs Averted
<i>City Departments</i>		
Graphic Arts Department	17	2
Library Department	74	3
Parks Department	4	
Human Resources	1	
Boston Center for Youth & Families	22	
Total City Departments	<hr/> 118	<hr/> 5
<i>Boston Public Schools</i>		
Teachers	8	3
Paraprofessionals	22	
School Custodians	41	42
Administrative Guild	45	
Managerial	23	
Other	18	6
Total BPS	<hr/> 157	<hr/> 51
Total Layoffs	<hr/> 275	<hr/> 56



Staffing History

Full-Time Equivalents as of January 1

(General Fund)



Long-Term Sustainability



City of Boston

A System Under Pressure

- FY12 poses significant challenges beyond FY11
- State aid cuts virtually certain in FY12
- State sales tax ballot question if passed will cost MA \$2.5 billion
- Health insurance costs for employees and retirees continue to grow dramatically
- Pension funding requirement grows 30% due to investment losses
- 2% of revenue from reserves – one-time and not sustainable
- Significant Federal stimulus funding ends, with no replacement revenue source
- 41 union contracts expire over the course of FY11

